

**PROPERTY ASSESSMENT APPEAL BOARD**  
**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2019-077-10119R

Parcel No. 320/02826-618-000

**Ronald Carzoli,**

Appellant,

vs.

**Polk County Board of Review,**

Appellee.

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**Introduction**

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on July 31, 2020. Ronald Carzoli is self-represented and asked the appeal proceed without a hearing. Assistant Polk County Attorney Dominic Anania represented the Board of Review.

Ron and Diana Carzoli own a residential property located at 5208 Cody Drive, West Des Moines. Its January 1, 2019, assessment was set at \$242,700, allocated as \$43,600 to land value and \$199,100 to the dwelling. (Ex. A).

Carzoli petitioned the Board of Review contending his property was assessed for more than the value authorized by law. Iowa Code § 441.37(1)(a)(2) (2019). The Board of Review denied the petition. (Ex. B).

Carzoli then appealed to PAAB reasserting his over assessment claim and now also claiming his assessment is not equitable as compared with the assessments of other like property in the taxing district. Iowa Code §§ 441.37(1)(a)(1 & 2) (2019).

**General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act

apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701–126.2(2-4). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it. *Id.* There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

### Findings of Fact

The subject property is a four-level-split home built in 1982. It has 2212 square feet of gross living area, 784 square feet of unfinished basement, a small open porch, a deck, and a two-car attached garage. The improvements are listed in normal condition with a 3-10 grade (good quality). The site is 0.198 acres. (Ex. A).

Carzoli submitted three sales of nearby properties in his petition to the Board of Review that he believes support his claims. (Ex. C). The record includes the property record card for one of the sales. (Exs. 2 & D). In order to understand how these properties are valued, PAAB has taken judicial notice of the other two properties listed in the petition. All three properties are summarized in the following table. (Exs. 2, 4, 5, & D).

Comparable	Sale Price	Sale Date	2019 <sup>1</sup> Assessed Value	Gross Living Area (SF)	Quality	Condition	Ratio
Subject	N/A	N/A	\$242,700	2212	3-10	Normal	N/A
1 - 5216 Dakota Dr	\$237,000	Oct-18	\$235,600	1598	4+10	Above-Normal	0.99
2 - 5212 Dakota Dr	\$237,000	Apr-18	\$254,700	2205	3-05	Above-Normal	1.07
3 - 5216 Aspen Dr	\$190,000	May-19	\$190,900	1391	4+10	Normal	1.00

Comparables 1 and 2 are four-level-split homes like the subject property.

Comparable 3 is a contemporary style, two-story home. All were built in the early to

<sup>1</sup> The January 1, 2019 assessments reported in the table reflect the actions of the Board of Review. The Board of Review reduced the January 1, 2019 assessments for Comparables 1 and 3; prior to the reductions their ratios were 1.09 and 1.14, respectively.

mid-1980s like the subject property. Comparable 1 has 363 square feet of living-quarter basement finish, whereas Comparables 2 and 3 have unfinished basements like the subject.

Carzoli asserts Comparables 1 and 2 are similar to his home but “better in quality and/or size.” (Ex. C). The grade (quality) of Comparables 1 and 2 are both very similar to the subject property. The condition listed for both comparables are superior to the subject property. (Exs. 3 & 4). Both of these properties recently sold for \$237,000, in apparent normal transactions. Carzoli noted that although Comparable 3 is a different style home he believes it reflects the property values in the area.

None of the sales were adjusted for differences between them and the subject property to arrive at an opinion of value as of January 1, 2019. Nonetheless, we find Comparables 1 and 2 are sufficiently similar to the subject that, even without adjustment, they offer a reliable indication of the subject’s fair market value and suggest the property’s assessment is excessive.

Carzoli reported the owner of Comparable 1 also protested the 2019 assessment to the Board of Review, its protest was approved, and the January 1, 2019 assessment was reduced to \$235,600. PAAB notes the Board of Review also took action and reduced the 2019 assessment of Comparable 3 to \$190,900. (Ex. 5).

Prior to the Board of Review, the assessed-value-to-sales-price ratio range of Comparable 1 and 2 was 1.09 and 1.14, respectively. Ratios over 1.00 suggest a property is assessed higher than its market value. Comparables 1 and 3 were modified by the Board of Review and now reflect a ratio that indicates they are assessed at or very near market value.

Carzoli is perplexed that the Board of Review denied his request for a reduction but granted a reduction to Comparable 1. (Ex. 3). Moreover, he does not believe his property’s assessment should be higher than that of Comparable 1, when it was originally lower prior to the Board of Review’s action. Specifically, Carzoli believes his assessment should be adjusted “with a similar percentage reduction in value that was granted” to Comparable 1. (Appeal).

Lastly, Carzoli notes his property and Comparable 1 have nearly identical size garages, with only 3 square feet of difference between them. (Exs. 3, 5, & A). Yet the replacement cost new (RCN) of his garage is \$17,290, compared to the RCN of Comparable 1's garage, which is \$10,210. (Exs. 3, A, & D). He acknowledged Comparable 1's garage is listed as a "basement garage" but he does not believe this explains the roughly \$7000 difference in RCN. We note that in addition to the \$10,210 RCN for the "basement garage" assessed to Comparable 1, the 1552 square foot basement area, which includes the garage, has an RCN of \$18.05 per square foot. This would indicate a total RCN for Comparable 1's garage of \$17,845.<sup>2</sup>

### **Analysis & Conclusions of Law**

Carzoli asserts the subject property is inequitably assessed and assessed for more than the value authorized by law. § 441.37(1)(a)(1 & 2). We address the over assessment claim first.

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* The sales comparison method is the preferred method for valuing property under Iowa law. *Compiano*, 771 N.W.2d at 398; *Soifer*, 759 N.W.2d at 779; *Heritage Cablevision v. Bd. of Review of Mason City*, 457 N.W.2d 594, 597 (Iowa 1990).

The first step in this process is determining if comparable sales exist. *Soifer*, 759 N.W. 2d at 783. "Whether other property is sufficiently similar and its sale sufficiently normal to be considered on the question of value is left to the sound discretion of the

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<sup>2</sup> 423 square feet of garage X \$18.05 = \$7635 + \$10,210 (attached garage area & basement garage) = \$17,845. (Ex. D, cost sheet).

trial court.” *Id.* at 782 (citing *Bartlett & Co. Grain Co. v. Bd. of Review of Sioux City*, 253 N.W.2d 86,88 (Iowa 1977)).

Carzoli submitted three nearby properties that recently sold. We find Comparables 1 and 2 most similar to the subject. Both sold in 2018 for \$237,000 in normal transactions, and we find these sales offer a reliable indication of the subject’s fair market value. We conclude Carzoli has demonstrated his property’s assessment is excessive and the best evidence indicates the subject’s fair market value is \$237,000.

Carzoli also raised a claim of inequity under section 441.37(1)(a)(1). To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Carzoli offered no evidence of the Assessor applying an assessment method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

“(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination.”

*Id.* at 711. The *Maxwell* test provides that inequity exists when, after considering the actual values and assessed values of comparable properties, the subject property is assessed at a higher portion of its actual value. *Id.*

Here, the record includes two 2018 sales and an early 2019 sale that can be used to establish an assessment/sales price ratio. The original 2019 assessments indicated a ratio range of 1.07 to 1.14 suggesting that similar nearby properties were assessed for more than their actual market value. Comparables 1 and 3 received reductions to their 2019 assessments. The new ratios indicate several of those assessments are now at, or very near, actual market value.

As we previously found, the evidence demonstrates the actual fair market value of Carzoli's property is \$237,000. If assessed at \$237,000, Carzoli's actual value/assessed value ratio would be in the range of the comparables' ratios. We conclude that an assessment of \$237,000 is not only consistent with the subject's fair market value, but is also equitable.

### **Order**

PAAB HEREBY MODIFIES the Polk County Board of Review's action. Based on the foregoing, we order the subject property's January 1, 2019 assessed value be set at \$237,000.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).



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Karen Oberman, Board Member



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Elizabeth Goodman, Board Member



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Dennis Loll, Board Member

Cc:

Ronald Carzoli  
5208 Cody Drive  
West Des Moines, Iowa 50265

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